

E. STATE FLEET OVERVIEW

State Vehicle Policy Compliance

Immediately after legislation establishing the Fleet Management Program was signed, the Office of Administration issued a State Vehicle Policy Questionnaire to determine agency compliance with the State Vehicle Policy.

With the exception of the state colleges and universities, agencies have expressed strong intention to comply with the policy. Some agencies have adopted the State Vehicle Policy while others are in the process of establishing their own more restrictive vehicle policies.

The following are areas in which agencies are non compliant with the State Vehicle Policy:

1. The policy requires an average annual minimum utilization of 15,000 miles for pool vehicles. Listed below are the state agencies that reported underutilization of pool vehicles. See Section E for further information.
 - Department of Agriculture
 - Department of Economic Development
 - Department of Labor
 - Department of Mental Health
 - Office of Administration
 - Department of Public Safety
 - Missouri Lottery
 - Department of Insurance
 - Department of Health & Senior Services
2. The Department of Conservation does not plan to track individual trip information as required by the Vehicle Records section of the policy.
3. The Department of Mental Health, Bellefontaine Habilitation Center, has not inspected all state owned vehicles in accordance with Section 307.350 RSMo.

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Number of Licensed Vehicles Per Agency

In December 2002, the state had approximately 11,194 licensed motor vehicles.¹ The largest owners of state vehicles are the Departments of Transportation, Public Safety and Conservation. When combined, these three agencies own and operate about 65% of the state's licensed motor vehicles.

The following table details the number of reported vehicles by agency as of December 2002.

Agency	Number of Vehicles
Agriculture	283
Attorney General	9
Conservation	1,239
Corrections	895
Economic Development	127
Elementary & Secondary Education	162
Health & Senior Services	97
Higher Education	10
Insurance	6
Labor & Industrial Relations	36
Lottery	77
Mental Health	849
Natural Resources	758
Office of Administration	132
OSCA	29
Public Safety	1,521
Revenue	57
Secretary of State	13
Social Services	386
State Tax Commission	23
State Treasurer	3
Transportation	4,482
TOTAL	11,194

¹ This data does not include approximately 2,233 vehicles from the state colleges and universities and 2,527 trailers.

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Fleet Reassignments And Reductions

The implementation of the State Vehicle Policy, and the financial difficulties of the State prompted state agencies to review their fleet assignments to determine if they are justified and efficient. A number of state agencies have indicated that the current budget has delayed vehicle replacements. Instead, some agencies appear to be reassigning underutilized vehicles to meet essential needs. Additionally, a few agencies reported that they have been able to use existing resources to meet new vehicle needs.

Number of Licensed Vehicles Reduced by 2.3% in 2002

A comparison of data between 2001 and 2002 indicates a total fleet reduction of 264 or 2.3% of the number of licensed vehicles (not including MoDOT reductions).² The following agencies significantly reduced the size of their fleet in 2002:

- The Department of Public Safety, Division of Water Patrol reduced its fleet by 29 vehicles, or 22%.
- The Department of Conservation reduced its fleet by 189 vehicles or 13%.

MoDOT Fleet Reduction

In 2002, MoDOT completed a fleet reduction of 459 units, or 7%. (The reduction of these units was not included in the 2.3% reduction figure detailed above.) Sales of these units totaled \$1,519,011. The 459 units had a replacement value of \$19,550,282. MoDOT's entire fleet consists of over 7,000 licensed and non-licensed units including passenger vehicles, utility trucks, aerial units, dump trucks, sweepers, trailers and various types of off-road construction equipment.

² This is based on self-reported information and an assumption that agencies submitted data in the same fashion each year.

2001 vehicle counts are based on data submitted by state agencies to the House Interim Committee on State Fleet of Motor Vehicles and Airplanes in December of 2001.

2002 vehicle counts are based on data submitted by state agencies to the State Fleet Management Program in December 2002.

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Vehicle Utilization

Industry Standard

The utilization (miles driven) of a vehicle fleet is a good measure of its efficiency. Low miles may indicate that a fleet has too many vehicles. Based on research of other states and fleet management best practices, the Council on Efficient Operations Vehicle Management Team determined that the optimum utilization of a passenger vehicle is 15,000 miles annually. Once the state obtains its operating cost data through the Fleet Information System, the optimal annual utilization threshold may be adjusted accordingly.

State Vehicle Policy Requirements

The State Vehicle Policy requires an average of 15,000 miles for vehicles assigned to pools (Section II.E.3) and to individuals (Section II.E.1.a). The policy does not address instances where it is appropriate to travel less than 15,000 miles a year.

FY 02 State Vehicle Utilization Data

The following table displays FY 02 statewide utilization of licensed vehicles (by annual miles driven).

Annual Miles Driven	Percentage of Licensed Vehicles
Less than 5,000	15.9%
5,001-10,000	16.6%
10,001 – 15,000	20.1%
15,001 – 20,000	18.8%
Over 20,000	28.7%

Analysis

The State Auditor's Report 2001-94 estimated that approximately 11%³ of all passenger vehicles were driven less than 5,000 miles per year. However, data submitted by state agencies in December 2002 indicates that actually 15.9% of all licensed vehicles were driven less than 5,000 miles per year. (This represents all vehicles, including specialty use vehicles.) While 53.6% of vehicles are driven less than 15,000 miles per year, 28.7% of state vehicles are driven over 20,000 miles per year, indicating opportunities to reassign vehicles to better balance fleet utilization.

³ 11% represents 828 out of 7,400 passenger vehicles. Based on State Auditor's Report 2001-94, page 18. Excludes data from the state colleges and universities.

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Vehicle Utilization (continued)

It is important to note that utilization of state vehicles will vary depending on the location and purpose of the vehicle. Agencies such as the Office of Administration, Department of Mental Health and the Department of Corrections have a large number of facility support vehicles and appear to experience a higher percentage of low utilization vehicles. Many of these vehicles are driven locally or only on state grounds.

The following table represents utilization percentages by agency for vehicles driven less than 5,000 and 15,000 annual miles respectively. This information is also contained in individual agency fleet profiles located in Section G. (Some agencies submitted additional information explaining low utilization.)

State Agency	< 5,000 Miles	< 15,000 Miles
Agriculture	11%	43%
Conservation	9%	57%
Corrections	37%	69%
Economic Development	18%	57%
Elementary & Secondary Ed	35%	68%
Health & Senior Services	30%	78%
Higher Education	10%	60%
Insurance	17%	83%
Labor & Industrial Relations	19%	50%
Lottery	4%	35%
Mental Health	39%	79%
Natural Resources	21%	67%
Office of Administration	41%	68%
OSCA	7%	45%
Public Safety	19%	56%
Revenue	0%	58%
Secretary of State	0%	31%
Social Services	18%	62%
State Tax Commission	13%	43%
Transportation	2%	33%
STATE AVERAGE	16%	53%

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Vehicle Utilization (continued)

Recommendations for Improvement

Most state agencies have indicated their intent to review, analyze and reduce the number of underutilized vehicles. The Commissioner of Administration has established a 10% fleet reduction target by June 30, 2003 as described in Section F. The elimination of underutilized vehicles is a large portion of the reduction target.

Many other state fleet management programs have established lower minimum annual mileage thresholds for certain types of specialty use vehicles. The State Fleet Manager will make recommendations to amend the State Vehicle Policy indicating vehicle types permitted to drive less than 15,000 annual miles.

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Pool Vehicles

State Vehicle Policy Requirements

As defined by the State Vehicle Policy, pool vehicles are general use vehicles available for temporary assignment to multiple individuals. The policy requires a minimum annual average usage of 15,000 miles for all pool vehicles.

FY 02 State Pool Vehicle Utilization Data

The following table represents reported average pool utilization per agency for FY 02. It is important to note that this data includes six months of vehicle utilization prior to the issuance of the State Vehicle Policy in January 2002.

Agency	Number of Pool Vehicles	FY 02 Pool Miles Driven	Average Miles Driven
Agriculture	25	361,744	14,470
Conservation	18	288,291	16,016
Corrections	174	2,631,061	15,121
Economic Development	58	787,088	13,570
Elementary & Secondary Ed	40	678,330	16,958
Health & Senior Services	14	196,134	14,010
Higher Education	9	139,263	15,474
Insurance ⁴	4	39,489	9,872
Labor & Industrial Relations	20	281,224	14,061
Lottery	8	107,445	13,431
Mental Health ⁵	539	5,482,451	10,172
Natural Resources	75	1,379,215	18,390
Office of Administration	33	474,722	14,386
OSCA	26	429,132	16,505
Public Safety	83	906,304	10,919
Revenue	20	300,652	15,033
Secretary of State	13	210,997	16,231
Social Services	33	508,299	15,403
State Tax Commission	3	47,338	15,779
Transportation	144	2,344,621	16,282
TOTAL	1,339	17,593,800	13,140

⁴ The Department of Insurance has since reduced the size of their fleet. FY 03 pool utilization is projected to be above the minimum requirement.

⁵ The Department of Mental Health appears to have over reported the number of pool vehicles, as it is unlikely that 539 of 849, or 63%, of their vehicles are in a pool. Proper classification of vehicles should improve this statistic.

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Pool Vehicles (continued)

Recommendations for Improvement

Most agencies plan to reduce the number of pool vehicles to meet the State Vehicle Policy minimum utilization requirements. The Fleet Management Program will continue to monitor compliance with this portion of the policy. Also, implementation of the Fleet Information System will provide more accurate tracking and classification of pool vehicles.

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Commuting Vehicles

Currently, the State Vehicle Policy (Section E.2) allows commuting for the following reasons:

- a. Employee works out of their home
- b. Employee is subject to 24-hour call and operates a specialty use vehicle
- c. Employee is subject to 24-hour call and is called out an average of four or more times per month
- d. Agency head can authorize commuting if there is a compelling benefit to the state and must document as such in writing

A current breakdown of the number of reported commuting vehicles per agency is detailed below and sorted by the above policy provisions (E.2.a-d).

Commuting Data

Agency	Works Out of Home E.2.a	On Call & Specialty Use E.2.b	On Call E.2.c	Approval by Agency Head E.2.d	Total	% Of Fleet
Conservation				65	65	5.2%
Corrections				10	10	1.1%
Economic Development	6				6	4.7%
Elem & Sec Education			1		1	.6%
Health & Senior Services	1			2	3	3%
Lottery	46				46	59.7%
Mental Health			1		1	.1%
Natural Resources		47	1		48	6.3%
Public Safety	19	1		5	25	1.6%
Revenue	11				11	19.3%
Secretary of State				1	1	7.7%
Social Services			9	2	11	2.8%
State Tax Commission	19				19	82.6%
Transportation		30	121	11	162	3.6%
TOTAL	102	78	133	96	409	3.7%

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Commuting Vehicles (continued)

Recent Commuting Reductions

State agencies have reduced the number of vehicles in a commuting status by 15% (480 to 409) since the inception of the State Vehicle Policy. Most notably:

- The Department of Corrections reduced the number of commuting vehicles from 43 to 10.
- The Department of Health and Senior Services reduced the number of commuting vehicles from 7 to 3.
- The Office of Administration eliminated commuting in 32 vehicles.
- The Department of Higher Education eliminated its one commuting vehicle.
- The Department of Insurance eliminated its one commuting vehicle.

Additional notable commuting reductions not included in the above 15% reduction statistic are:

- The Missouri State Highway Patrol eliminated commuting in all vehicles.⁶
- Prior to the implementation of the State Vehicle Policy, the Department of Transportation changed its policy in 2001 to limit the number of vehicles taken home, resulting in 350 fewer vehicles in "take home" status.

Recommendations for Improvement

In January 2003, the Office of Administration issued a letter directing agencies that state vehicles should no longer be used for commuting purposes if there is a personal benefit, as defined by IRS regulations. Also, the Office of Administration will issue a revision to the State Vehicle Policy in 2003 to further define commuting to provide for consistent reporting as well as remove E.2.C (the on-call provision) from the policy. See Section F for more information.

⁶ Clearly marked police and fire vehicles and unmarked law enforcement vehicles when used for authorized purposes by a full time law enforcement officer are exempt from IRS fringe benefit reporting for the use of state vehicles, therefore; they are not reported as commuting vehicles.

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FY 03 Planned Vehicle Acquisitions and Dispositions

The following table represents planned vehicle acquisitions and dispositions for FY 03 as reported by state agencies in December 2002. The combined totals for the Missouri State Highway Patrol and the Departments of Conservation and Transportation account for 89% of vehicle acquisitions and 86% of vehicle dispositions.

As displayed below, planned reductions will decrease the overall size of the state fleet by at least 61 vehicles. This information was provided prior to the Office of Administration announcing the 10% fleet reduction target outlined in Section F. Agencies will be given credit for these reductions toward their 10% goal.

Agency	Acquisitions	Dispositions	Net (Decrease) Increase
Agriculture	0	0	0
Conservation	150	158	(8)
Corrections	50	24	26 ⁷
Economic Development	8	9	(1)
Elementary & Secondary Ed	0	0	0
Health & Senior Services	1	3	(2)
Higher Education	3	0	3
Insurance	0	2	(2)
Labor & Industrial Relations	0	3	(3)
Lottery	18	24	(6)
Mental Health	10	62	(52)
Natural Resources	12	10	2
Office of Administration	0	5	(5)
OSCA	2	2	0
Public Safety	400	405	(5) ⁸
Revenue	0	3	(3)
Secretary of State	0	0	0
Social Services	18	23	(5)
State Tax Commission	0	0	0
Transportation	500	500	0
TOTAL	1,172	1,233	61

⁷ Corrections fleet expansion represents budgeted vehicles purchased for the new Bonne Terre prison.

⁸ Department of Public Safety data includes 400 replacement units for the Missouri State Highway Patrol.